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Chief Executive Officer

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May 18, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

TECHNICAL AMENDMENTS TO MANAGEMENT PHYSICIAN PAY PLAN (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

To amend the County Code to codify changes in the compensation of non-represented management physicians and dental directors who are jointly employed by the County and the University of Southern California (USC). These changes are currently set forth in the Board approved medical school affiliation agreement between the County and USC. The recommended changes to the County Code will bring the Code into alignment with the affiliation agreement. These are technical changes that will result in no change in County cost over and above the costs otherwise required by the affiliation agreement.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the accompanying ordinance amending Title 6, Salaries, to codify changes in the compensation of non-represented management physicians and dental directors jointly employed by the County and USC. The recommended changes are necessary to conform the County Code to the current medical school affiliation agreement between the County and USC.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

On May 20, 2008, your Board approved new pay plans for represented and non-represented County physicians. The new pay plans represent a number of significant changes from the old physician pay plan. These include, among other things, wider pay ranges and the capability to recognize and appropriately compensate some 40 different medical specialties. The plan affecting represented physicians is set out in the Memorandum of Understanding between the County and the Union of American Physicians and Dentists. The plan affecting non-represented physicians is set out in Chapter 6.08 of the County Code. There are now two pay plans where there used to be one, but both plans operate in essentially the same manner.

Physicians have been transitioned from the old pay plan to the new pay plans in two phases. The first phase moved all physicians who were not receiving medical school stipends to the new plans effective January 1, 2008. These are the physicians who did not have academic responsibilities at either the University of California at Los Angeles (UCLA) or USC, and who were not receiving a medical school stipend as compensation for teaching responsibilities. The second phase affected those physicians who had academic responsibilities and who were receiving a medical school stipend. For this latter group, your Board's action on May 20, 2008 provided for transition to the new pay plans upon Board approval of new medical school affiliation agreements which would address, among other things, the treatment of medical school stipends.

The new medical school affiliation agreements were approved by your Board on November 25, 2008. All of the affected UCLA physicians were converted to the new pay plans during February 2009 retroactive to July 1, 2008. The UCLA agreement provided for the elimination of medical school stipends with the understanding each affected physician would be placed in the appropriate pay range in the new plans so as to avoid any loss in income considering the total compensation previously earned from both the County and UCLA. In the case of the USC agreement, however, the terms were slightly different.

USC Agreement

The USC medical school affiliation agreement differs from the UCLA agreement as to the handling of dually employed physicians. Under the USC agreement, existing tenured professors were grandfathered under the old physician pay plan. They will continue to be dually employed and receive a medical school stipend for their academic responsibilities. Future tenured professors, however, will be employed exclusively by USC employees.

Existing non-tenured professors were given the following options:

- To be grandfathered just like the tenured professors. As with the tenured professors, newly hired physicians will not be given this option.
- To be employed exclusively by USC or the County, but not both. Physicians choosing the County were transferred to the new management physician pay plan in the same way UCLA physicians were transferred, and were required to resign from USC. Physicians choosing USC were required to resign from the County.

All of the affected USC physicians were converted to the new pay plans during July 2009 retroactive to July 1, 2008.

In addition, the USC medical school affiliation agreement provides for the incumbents of two positions to continue their dual employment and be compensated under either the old physician pay plan or the new management physician pay plan. These are the two individuals who currently occupy the USC positions of Academic Administrator and Associate Academic Administrator/Designated Institutional Officer, respectively. Under the accompanying ordinance, these physicians will be allowed to choose to be grandfathered under the old physician pay plan or transfer to the new management physician pay plan and receive a stipend for the work directly attributable to the academic responsibilities related to these particular posts. This was the intent of the parties in negotiating this agreement.

With the exception of the above two positions, the medical school affiliation agreements with both UCLA and USC have been fully implemented. All of the transfers to the new pay plans and related payroll adjustments have been completed. With the adoption of the accompanying ordinance, the processing of the compensation changes for the Academic Administrator and Associate Academic Administrator/Designated Institutional Officer will be completed with an effective date of July 1, 2008. In the case of the Academic Administrator position, this arrangement will remain in effect indefinitely and

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will apply to the current incumbent, as well as any future incumbents. In the case of the Associate Academic Administrator/Designated Institutional Officer, the arrangement will end when the current incumbent leaves the position and will not apply to any future incumbents.

Although the treatment of the USC physicians is provided for in the medical school affiliation agreement, it is not provided for in the language of the new management physician pay plan set out in Chapter 6.08 of the County Code. The accompanying ordinance will remedy this situation and bring the County Code into alignment with the agreement.

Implementation of Strategic Plan Goals

The actions recommended in this letter promote workforce excellence by resolving workplace issues while maintaining financial responsibility.

FISCAL IMPACT/FINANCING

None. These changes merely codify changes in pay policy previously approved by your Board on May 20, 2008 and November 25, 2008. No additional funding is required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The accompanying ordinance also clarifies that no non-represented physician may receive compensation from the County and a university for work performed during the same working hours. Outside employment up to 24 hours per week will be allowed, but the outside work must truly be outside a physician's normal working hours. These are the same limitations that apply to all other County employees.

The ordinance necessary to implement these recommendations has been approved as to form by County Counsel.

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IMPACT ON CURRENT SERVICES

None.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Fujioka', written over the printed name.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:EFS:WGL
JAM:mst

c: County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Department of Human Resources
Department of Health Services

ANALYSIS

This ordinance amends Title 6 - Salaries, of the Los Angeles County Code by amending portions of Part 4 (New Management Physician Pay Plan) Sections 6.08.400 (Title of provisions), 6.08.415 (New Management Physician pay plan general provisions), 6.08.425 (Management Physician E pay schedules), and 6.08.430 (Transition to new management physician pay plan).

ANDREA SHERIDAN ORDIN
County Counsel

By 
HALVOR S. MELOM
Principal Deputy County Counsel
Labor & Employment Division

HSM:asv
Requested: 03-01-09
Revised: 04-26-10

ORDINANCE NO. _____

An ordinance amending Title 6 - Salaries, of the Los Angeles County Code relating to the New Management Physician Pay Plan.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 6.08.400 is hereby amended to read as follows:

6.08.400 Title of provisions.

This Part 4 of Chapter 6.08 shall be known as the "New Management Physician Pay Plan." There will continue to be a Part 2 "Physician Pay Plan" under which Management Physicians currently receiving a stipend through a medical school affiliation agreement will be compensated. As each the new affiliation agreement amendment is approved and signed by the Regents of the University of California and the County Board of Supervisors, the Physicians affected by that newly signed agreement will be compensated pursuant to the Part 4 "New Management Physician Pay Plan."

Following approval and signature of the new affiliation agreement amendment by the University of Southern California and the County Board of Supervisors, except as set forth below in Section 6.08.430B.3 and B.4, non-tenured Physicians affected by that newly signed agreement shall make a choice of being either a County employee, University employee, or maintaining current status as a County employee and a University employee. Those Physicians choosing County employment will be compensated pursuant to the Part 4 "New Management Physician Pay Plan." Those Physicians choosing University employment will resign from County employment.

Those non-tenured Physicians choosing to maintain their current status as a County and University employee and all tenured Physicians shall remain compensated pursuant to the Part 2 "Physician Pay Plan" and continue to receive compensation pursuant to the USC affiliation agreement as amended.

...

SECTION 2. Section 6.08.415 is hereby amended to read as follows:

6.08.415 New Management Physician pay plan general provisions.

A. Persons employed on any position whose salary is based on the Management Physician e E Tables provided for in Section 6.26.040 of this code shall be compensated pursuant to the applicable provisions of Part 4 of this chapter and shall be placed on and moved to steps within the appropriate E range schedules as set forth in Sections 6.08.425, 6.08.435, and 6.08.440.

...

SECTION 3. Section 6.08.425 is hereby amended to read as follows:

6.08.425 Management Physician E pay schedules.

...

3. Specialty assignment of Physicians. Specialty assignment shall be dependent upon the physician's privileges and by specific physician assignment. Each physician's specialty assignment shall be determined by the department.

...

SECTION 4. Section 6.08.430 is hereby amended to read as follows:

6.08.430 Transition to new management physician pay plan.

A. Eligible Participants. Physicians and Dental Directors eligible for compensation pursuant to this Part 4 of Chapter 6.08 (the "New Management Physician Pay Plan") shall be any Management Physician or Dental Director who is receiving no stipend from a medical school, except as set forth under paragraphs B.3 and B.4 below.

...

B. Step Placement Upon Transition to New Management Physician Pay Plan. Each Physician or Dental Director who is eligible for the New Management Physician Pay Plan who, immediately prior to becoming eligible, received compensation pursuant to Part 2 of this Chapter 6.08 (the "Old Physician Pay Plan"), shall be initially placed in the designated Management Physician E pay range as follows:

1. Each such Physician or Dental Director who, immediately prior to becoming eligible for the New Management Physician Pay Plan, received a stipend under a the Regents of the University of California (UCLA) medical school affiliation agreement as amended and approved by the board of supervisors and in effect immediately prior to January 1, 2008 ("Old UCLA Medical School Agreement") shall be placed at the nearest step in the designated new Management Physician E range that does not result in a reduction in pay, effective July 1, 2008. "Pay" for this purpose shall mean the sum of a) the monthly stipend received under the Old Medical School Agreement, and b) the Physician's regular monthly salary under the Old Physician Pay Plan exclusive of any bonus for board certification in a medical specialty or special rate

received pursuant to Section 6.10.150C of this code. In no event shall any Physician simultaneously receive compensation under the New Management Physician Pay Plan and Section 6.10.150C of this code. In any case where such pay exceeds the top step of the designated Management Physician E schedule, the Physician shall be paid at a special monthly rate, exclusive of any bonus for board certification in a medical specialty, that equals said pay and that maintains over time the same percentage differential between such rate and the top step of the designated Management Physician E schedule. Such special monthly rate shall constitute a base rate.

2. Except as set forth under paragraphs 3 and 4 below, each such Physician or Dental Director who received a stipend for providing teaching services at the university as a non-tenured professor under the University of Southern California (USC) medical school affiliation agreement as amended and approved by the board of supervisors and in effect immediately prior to January 1, 2008 ("Old USC Medical School Agreement") shall choose one of the following employment options: 1) maintain County employment, resign university professorship and stipend, and be placed on the New Management Physician Pay Plan; 2) resign from County service, maintain USC employment and compensation; or 3) maintain current employment status as a County physician paid pursuant to Part 2 of Chapter 6.08 (the "Old Physician Pay Plan") and continue to receive a stipend under the new USC affiliation agreement as amended and approved by the board of supervisors November 25, 2008.

Those physicians choosing employment option 1) shall be placed at the nearest step in the designated new Management Physician E range that does not result in a reduction in pay, effective July 1, 2008. "Pay" for this purpose shall mean the sum of a) the monthly stipend received under the Old USC Medical School Agreement, and b) the Physician's regular monthly salary under the Old Physician Pay Plan exclusive of any bonus for board certification in a medical specialty or special rate received pursuant to Section 6.10.150C of this code. In no event shall any Physician simultaneously receive compensation under the New Management Physician Pay Plan and Section 6.10.150C of this code or simultaneously receive compensation under the New Management Physician Pay Plan and a University. In any case where such pay exceeds the top step of the designated Management Physician E schedule, the Physician shall be paid at a special monthly rate, exclusive of any bonus for board certification in a medical specialty, that equals said pay and that maintains over time the same percentage differential between such rate and the top step of the designated Management Physician E schedule. Such special monthly rate shall constitute a base rate.

Those physicians choosing employment option 3), and those physicians who make no choice as set forth herein, shall continue to be paid pursuant to Part 2 of Chapter 6.08 (the "Old Physician Pay Plan") and continue to receive a stipend under the new USC medical school affiliation agreement as amended and approved by the board of supervisors November 25, 2008.

3. The Physician who received a stipend for providing teaching services at the university as a non-tenured professor under the University of Southern California (USC) medical school affiliation agreement as amended and approved by the board of supervisors and in effect immediately prior to January 1, 2008 ("Old USC Medical School Agreement"), who holds the University position of Associate Academic Administrator, and is the Designated Institutional Official receiving compensation for the Designated Institutional Officer, under the USC medical school affiliation agreement as amended and approved by the board of supervisors November 25, 2008, shall continue to receive such compensation for the position of Designated Institutional Officer.

4. Any Physician who simultaneously holds the County position of Medical Director and the University position of Academic Administrator under a USC medical school affiliation agreement, as amended and approved by the board of supervisors, shall continue to receive University compensation for the position of Academic Administrator.

5. Each such Physician as described in subparagraphs a and b above shall also be placed at the nearest step in the designated new Management Physician E range that does not result in a reduction in pay. "Pay" for this purpose shall mean the sum of a) the monthly stipend received under the Old USC Medical School Agreement, except with respect to the compensation for position of the Designated Institutional Officer or Academic Administrator as applicable, and b) the Physician's regular monthly salary under the Old Physician Pay Plan exclusive of any bonus for board certification in a medical specialty or special rate received pursuant to Section 6.10.150C of this code.

In no event shall any Physician simultaneously receive compensation under the New Management Physician Pay Plan and Section 6.10.150C of this code. Except as described in paragraph 3 or 4 above, no Physician shall simultaneously receive compensation under the New Management Physician Pay Plan and a University. In any case where such pay exceeds the top step of the designated Management Physician E schedule, the Physician shall be paid at a special monthly rate, exclusive of any bonus for board certification in a medical specialty, that equals said pay and that maintains over time the same percentage differential between such rate and the top step of the designated Management Physician E schedule. Such special monthly rate shall constitute a base rate.

2. 6. Each such Physician or Dental Director who, immediately prior to becoming eligible for the New Management Physician Pay Plan, received no stipend under an Old Medical School Affiliation Agreement shall be placed at the nearest step in the designated new Management Physician E range that does not result in a reduction in the Physician's regular monthly salary under the Old Physician Pay Plan exclusive of any bonus for board certification in a medical specialty, effective January 1, 2008.

3. 7. Step placement pursuant to paragraph ~~4 or 2~~ 1, 2, 5 or 6 above shall set a new step anniversary date.

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SECTION 5. Pursuant to Sections 25123 (f) of the Government Code, this ordinance shall take effect immediately upon final passage. If this ordinance becomes effective after July 1, 2008, it shall be construed and applied as if it were effective and operative on and after July 1, 2008.

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